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Memorandum

TO: BATA Oversight Committee

DATE: February 4, 2015

FR: Executive Director

W.I. 1253

RE: Purchase Orders – Electronic Toll Collection FasTrak® Standard and Retail Toll Tags: Transcore LP* (\$1,870,000) and FasTrak® Flex Switchable Standard and Retail Toll Tags for Express Lanes: 3M Company* (\$2,020,100)

This item would authorize the Executive Director or his designee to issue the following purchase orders to:

- (i) Transcore LP, in an amount of \$1,870,000, to provide FasTrak® standard and retail toll tags; and
- (ii) 3M Company, in an amount of \$2,020,100, to provide FasTrak® Flex switchable standard and retail toll tags for express lanes.

Background

FasTrak® Toll Tag Supply

In September 2014, based on the results from a competitive Invitation for Bids (IFB) process, BATA issued a purchase order to TransCore LP to purchase 104,500 standard toll tags and 56,500 retail toll tags for the FasTrak® Regional Customer Service Center (RCSC) project. The purchase order included an option for BATA to purchase up to an additional 100,000 standard (non-retail) tags at a unit cost of \$9.96 per tag and 63,000 retail toll tags at a unit cost of \$11.47 per tag plus tax at any time after the initial quantity of toll tags had been ordered.

Staff expects to deplete toll tags currently in stock by the end of the fiscal year. As such, staff is requesting the Committee to authorize the option for the purchase of 100,000 additional standard toll tags and an additional 63,000 retail toll tags to maintain a sufficient supply to meet demand. The total cost of this purchase order amendment is a not to exceed amount of \$1,870,000. A new IFB will be issued in the fall of 2015 to procure additional tags thereafter.

FasTrak® Flex Express Lane Switchable Tags

New express lanes will begin operations in the Bay Area in the next few years. Alameda County Transportation Commission will begin operating an express lane on I-580 in October 2015, and MTC will begin operating an express lane on I-680 in Spring 2016. These express lanes will include violation enforcement systems to improve toll collection rates. The violation enforcement systems rely on all express lanes users carrying a toll tag. In order for carpoolers to receive free trips, the toll tags need to have a way to indicate the number of occupants in the vehicle. This self-declaration is done through a switch mechanism on the tag. See example in Attachment 1.

In order to procure the switchable toll tags, or FasTrak® Flex tags as they have been recently branded, staff issued an Invitation for Bid (IFB) on January 27, 2015 to purchase 50,000 standard (non-retail) switchable toll tags and 60,000 retail switchable toll tags. Based on projected

enrollment for express lanes, staff expects this supply of switchable toll tags to be sufficient for the first two deployments on I-580 and I-680. We anticipate beginning to issue the switchable toll tags to customers in Summer 2015. In addition, the IFB includes options to purchase up to 200,000 additional switchable toll tags. Staff is currently evaluating forecasts for express lane users and strategies for issuing the switch tags in order to determine whether to continue issuing legacy non-switch tags.

Only two U.S. toll tag vendors supply tags compliant with the required California specifications: 3M Company and TransCore LP. Both vendors also currently supply switchable toll tags to various toll agencies in the Los Angeles and Orange County area. Bids were received from both firms on February 3, 2015. The bid results are as follows:

3M Company: Lowest Responsive Bidder

Toll Tag Type	Unit Price	Quantity	Total by Item (excluding sales tax)	Total by Item (including 8.75% sales tax)
Non-Retail Toll Tag	\$15.25	50,000	\$762,500	\$1,190,850
Retail Toll Tag: • Costco • Safeway • Walgreens	\$18.25	60,000	\$1,095,000	\$ 829,250
TOTAL		110,000	\$ 1,875,500	\$ 2,020,100

TransCore:

Toll Tag Type	Unit Price	Quantity	Total by Item (excluding sales tax)	Total by Item (including 8.75% sales tax)
Non-Retail Toll Tag	\$22.17	50,000	\$1,108,500	\$1,545,120
Retail Toll Tag: • Costco • Safeway • Walgreens	\$23.68	60,000	\$1,420,800	\$ 1,205,494
TOTAL		110,000	\$ 2,529,300	\$ 2,750,614

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to issue two purchase order amendments to TransCore LP in an amount not to exceed \$1,084,000 to furnish 100,000 FasTrak[®] standard toll tags and in an amount not to exceed \$786,000 to furnish 63,000 FasTrak[®] retail toll tags for the FasTrak[®] RCSC project, for a combined total amount of \$1,870,000 as described herein.

Staff also recommends that this Committee authorize the Executive Director or his designee to issue a purchase order to 3M Company to provide FasTrak[®] Flex switchable toll tags to support the express lanes operations in amounts not to exceed \$2,020,100 to furnish 50,000 FasTrak[®] Flex switchable standard toll tags and 60,000 FasTrak[®] Flex switchable retail toll tags.

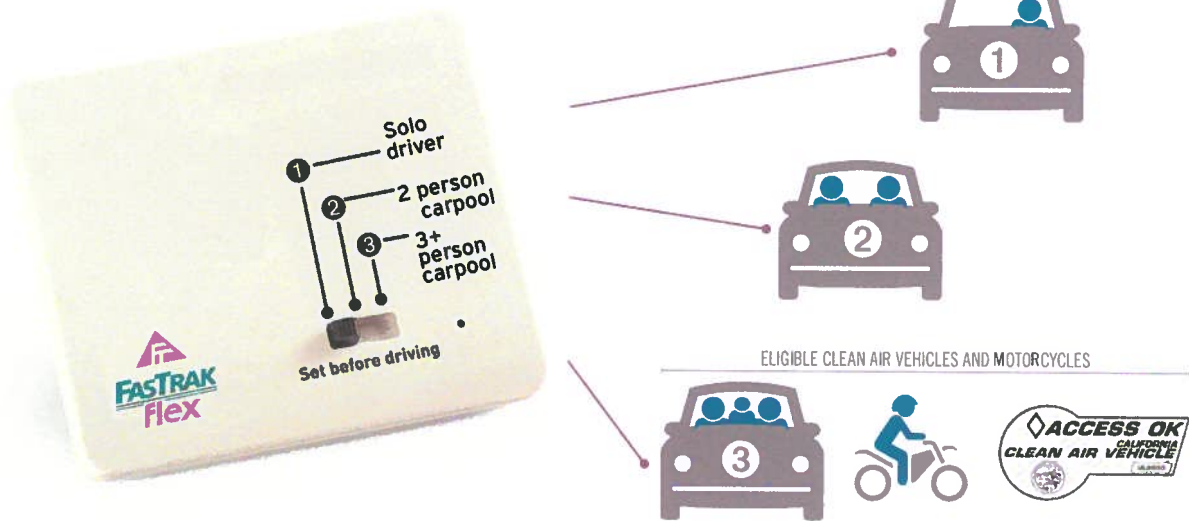


Steve Heminger

Attachment 1: Sample Switchable Tag

FasTrak® Flex Toll Tags

Before driving, move the switch to show the number of people in the vehicle. Solo drivers can also use regular FasTrak® tags. Switchable toll tags will become available in mid 2015.



REQUEST FOR COMMITTEE APPROVAL

Summary of Purchase Order Amendments

Work Item No.:	1253
Vendor:	TransCore LP, San Diego, CA
Work Project Title:	Electronic Toll Collection FasTrak® Toll Tag Procurement
Purpose of Project:	To provide standard and retail toll tags for the FasTrak® Regional Customer Service Center (RCSC) project.
Brief Scope of Work:	Provide 100,000 standard and 63,000 retail toll tags between May 2015 and October 2015 for the FasTrak® RCSC project.
Project Cost Not to Exceed:	<p>\$1,084,000 (standard toll tag cost) <u>\$ 786,000 (retail toll tag cost)</u> \$1,870,000 Total Current Amendments</p> <p>\$1,836,652 (total cost prior to Amendments comprised of \$1,131,892 for the standard toll tags and \$704,760 for the retail toll tags) \$3,706,652 (total cost after Amendments comprised of \$2,215,892 for the standard toll tags and \$1,490,760 for the retail toll tags)</p>
Funding Source:	Toll Bridge Rehabilitation Program Budget
Fiscal Impact:	Funds are included in the FY 2014-15 Toll Bridge Rehabilitation Program Budget.
Motion by Committee:	That the Executive Director or his designee is authorized to issue two purchase order amendments to TransCore LP to provide 100,000 standard and 63,000 retail toll tags for the FasTrak® RCSC project, as described above and in the Executive Director's memorandum dated February 4, 2015, and the Chief Financial Officer is authorized to set aside funds in amounts of \$1,084,000 for the standard toll tag purchase order amendment and \$786,000 for the retail toll tag purchase order amendment.
BATA Oversight Committee:	<hr/> Tom Bates, Vice Chair
Approved:	February 11, 2015

REQUEST FOR COMMITTEE APPROVAL

Summary of Purchase Order

Work Item No.:	1253
Vendor:	3M Company
Work Project Title:	Electronic Toll Collection FasTrak® Flex Switchable Toll Tag Procurement
Purpose of Project:	To procure standard and retail switchable toll tags to support operations of regional express lanes.
Brief Scope of Work:	Provide 50,000 standard and 60,000 retail switchable toll tags for delivery between June 2015 and February 2016 to support regional express lanes operations.
Project Cost Not to Exceed:	\$2,020,100
Funding Source:	Toll Bridge Rehabilitation Program Budget
Fiscal Impact:	Funds are included in the FY 2014-15 Toll Bridge Rehabilitation Program Budget.
Motion by Committee:	That the Executive Director or his designee is authorized to issue a purchase order to 3M Company to provide 50,000 standard and 60,000 retail switchable toll tags to support operations of the regional express lanes, as described above and in the Executive Director's memorandum dated February 4, 2015, and the Chief Financial Officer is authorized to set aside funds in the amount of \$2,020,100 for such purchase order.
BATA Oversight Committee:	<hr/> Tom Bates, Vice Chair
Approved:	February 11, 2015